GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:892
ANSWERED ON:21.07.2016
Closure of Panchayati Raj Ministry
Kamal Nath Shri ;Mullappally Shri Ramachandran;Roy Prof. Saugata;Scindia Shri Jyotiraditya Madhavrao;Singh Shri Bhola;Teacher Smt. P.K.Sreemathi

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether there is any proposal to close the Ministry of Panchayati Raj and if so, the details thereof and the reasons therefor;
(b) the details of budget allocation made for the Ministry and its utilisation in the last three years and the current year;
(c) whether the Government has discontinued two key programmes under the Ministry viz. Backward Regions Grant Fund (BRGF) and Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA);
(d) if so, the details thereof and the reasons therefor; and
(e) whether the Union Government''s efforts to discontinue the programmes under the Ministry will affect the Panchayati Raj Institutions across the country, and if so, the details thereof and the steps proposed to be taken by the Government thereon?

Answer

(a): No, Madam.
(b): Statement is enclosed as Annexe.
(c) & (d): The Backward Regions Grant Fund Programme (BRGF) and the State component of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) were delinked from the Central financial support with effect from the financial year 2015-16. The States were requested to provide necessary support from their higher share of resources.
(e): The State Governments have been made available enhanced fiscal space under the Fourteenth Finance Commission (FFC) award on account of higher devolution from 32% to 42% of the Centre's net tax receipts which the States can use to fund the requirements of local bodies. The State Governments are also expected to transfer a certain percentage of their tax and non-tax revenues to local bodies as per recommendations of the State Finance Commissions. Besides, the Gram Panchayats have been allocated a grant of Rs.2,00,292.20 crore over a period 2015-20 under the FFC award for delivery of basic services, creation of reliable data base of local bodies' receipts & expenditure through audited accounts and for improvement of own source revenue of the Gram Panchayats.
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